



ANNUAL STATEMENT  
For the Year Ending December 31, 2010  
OF THE CONDITION AND AFFAIRS OF THE  
QCA Health Plan, Inc.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	95448	Employer's ID Number	71-0794605
Organized under the Laws of	Arkansas		State of Domicile or Port of Entry	Arkansas		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	04/08/1996		Commenced Business	07/31/1996		
Statutory Home Office	12615 Chenal Parkway, Suite 300 (Street and Number)		Little Rock, AR 72211 (City or Town, State and Zip Code)			
Main Administrative Office	12615 Chenal Parkway, Suite 300 (Street and Number)					
	Little Rock, AR 72211 (City or Town, State and Zip Code)		(501)228-7111 (Area Code) (Telephone Number)			
Mail Address	12615 Chenal Parkway, Suite 300 (Street and Number or P.O. Box)		Little Rock, AR 72211 (City or Town, State and Zip Code)			
Primary Location of Books and Records	12615 Chenal Parkway, Suite 300 (Street and Number)					
	Little Rock, AR 72211 (City or Town, State and Zip Code)		(501)228-7111 (Area Code) (Telephone Number)			
Internet Website Address	www.qualchoice.com					
Statutory Statement Contact	Randall Crow (Name)		(501)219-5109 (Area Code)(Telephone Number)(Extension)			
	randall.crow@qualchoice.com (E-Mail Address)		(501)228-0135 (Fax Number)			

OFFICERS

Name	Title
Michael Edward Stock	President
James W. Couch	Secretary
Randall Alvin Crow	Treasurer

OTHERS

Miles Haley Wilson, Vice President/CIO-I.T.  
Richard Parker Armstrong M.D., Vice President - Medical Affairs #  
Betty Jo Tatum-Himes, Vice President - Sales & Marketing

James W. Couch J.D., Chief Compliance Officer  
Joni Self Daniels, Vice President - Operations  
Jon Foose, Vice President - Underwriting

DIRECTORS OR TRUSTEES

Richard Allen Pierson  
Joseph Patrick Searcy  
Charles W. Smith M.D.  
Joseph Maurice Elser M.D.  
James Knox Hendren PhD

Buford Joseph Suffridge DDS, MS,PA  
James Arden Tanner M.D.  
Barbara Garner Williams RN, PhD  
Raymond William Montgomery II  
Martin Fiser M.D.

State of Arkansas  
County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Michael Edward Stock	James W. Couch	Randall Alvin Crow
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2011

a. Is this an original filing? Yes[X] No[ ]

b. If no, 1. State the amendment number \_\_\_\_\_

2. Date filed \_\_\_\_\_

3. Number of pages attached \_\_\_\_\_

\_\_\_\_\_  
(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

John P Schaefer #	Michael Edward Stock
Alan D. Winkler	Ben Beaumont #

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D) .....	13,832,923		13,832,923	13,661,046
2.	Stocks (Schedule D)				
2.1	Preferred stocks .....	1,500,000		1,500,000	
2.2	Common Stocks .....				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....27,555,551 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA) .....	27,555,551		27,555,551	24,157,667
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Derivatives .....				
8.	Other invested assets (Schedule BA) .....	5,616		5,616	5,604
9.	Receivables for securities .....				
10.	Securities Lending Reinvested Collateral Assets .....				
11.	Aggregate write-ins for invested assets .....				
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....	42,894,090		42,894,090	37,824,317
13.	Title plants less \$.....0 charged off (for Title insurers only) .....				
14.	Investment income due and accrued .....	60,410		60,410	145,052
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection .....	642,193	22,685	619,508	444,724
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3	Accrued retrospective premiums .....				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers .....	733,888		733,888	294,611
16.2	Funds held by or deposited with reinsured companies .....				
16.3	Other amounts receivable under reinsurance contracts .....				
17.	Amounts receivable relating to uninsured plans .....	190,954		190,954	77,203
18.1	Current federal and foreign income tax recoverable and interest thereon .....	5,349		5,349	
18.2	Net deferred tax asset .....				733,626
19.	Guaranty funds receivable or on deposit .....				
20.	Electronic data processing equipment and software .....				
21.	Furniture and equipment, including health care delivery assets (\$.....0) .....				
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
23.	Receivables from parent, subsidiaries and affiliates .....	266,630		266,630	186,136
24.	Health care (\$.....0) and other amounts receivable .....	771,051	771,051		
25.	Aggregate write-ins for other than invested assets .....				233,072
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	45,564,565	793,736	44,770,829	39,938,741
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28.	Total (Lines 26 and 27) .....	45,564,565	793,736	44,770,829	39,938,741
DETAILS OF WRITE-INS					
1101.	.....				
1102.	.....				
1103.	.....				
1198.	Summary of remaining write-ins for Line 11 from overflow page .....				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501.	State of Arkansas, CHIP deduction .....				233,073
2502.	Prepaid .....				
2503.	rounding .....				(1)
2598.	Summary of remaining write-ins for Line 25 from overflow page .....				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				233,072

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	13,399,656	1,426,252	14,825,908	11,661,644
2.	Accrued medical incentive pool and bonus amounts .....				
3.	Unpaid claims adjustment expenses .....	101,967		101,967	67,749
4.	Aggregate health policy reserves .....	102,864		102,864	
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserves .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....	4,045,418		4,045,418	2,986,587
9.	General expenses due or accrued .....	1,284,822		1,284,822	1,470,739
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				(9,750)
10.2	Net deferred tax liability .....				
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....	3,747		3,747	971,826
16.	Derivatives .....				
17.	Payable for securities .....				
18.	Payable for securities lending .....				
19.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
20.	Reinsurance in unauthorized companies .....				
21.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
22.	Liability for amounts held under uninsured plans .....	1,242,508		1,242,508	1,077,825
23.	Aggregate write-ins for other liabilities (including \$.....0 current) .....	(1)		(1)	(1)
24.	TOTAL Liabilities (Lines 1 to 23) .....	20,180,981	1,426,252	21,607,233	18,226,619
25.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
26.	Common capital stock .....	X X X	X X X	2,454	1,553
27.	Preferred capital stock .....	X X X	X X X	25,500,046	25,500,046
28.	Gross paid in and contributed surplus .....	X X X	X X X		
29.	Surplus notes .....	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
31.	Unassigned funds (surplus) .....	X X X	X X X	(2,338,544)	(3,789,117)
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X	360	360
32.2	.....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	23,163,596	21,712,122
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	44,770,829	39,938,741
DETAILS OF WRITE-INS					
2301.	rounding .....	(1)		(1)	(1)
2302.	.....				
2303.	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page .....				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	(1)		(1)	(1)
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	567,122	482,872
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	146,799,509	124,222,104
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....		
7.	Aggregate write-ins for other non-health revenues .....	X X X .....		
8.	TOTAL Revenues (Lines 2 to 7) .....	X X X .....	146,799,509	124,222,104
Hospital and Medical:				
9.	Hospital/medical benefits .....	9,444,893	98,179,759	82,593,103
10.	Other professional services .....			
11.	Outside referrals .....			
12.	Emergency room and out-of-area .....	331,409	3,444,995	2,538,167
13.	Prescription drugs .....		25,387,426	21,321,735
14.	Aggregate write-ins for other hospital and medical .....			
15.	Incentive pool, withhold adjustments and bonus amounts .....			
16.	Subtotal (Lines 9 to 15) .....	9,776,302	127,012,180	106,453,005
Less:				
17.	Net reinsurance recoveries .....		1,912,488	1,886,776
18.	TOTAL Hospital and Medical (Lines 16 minus 17) .....	9,776,302	125,099,692	104,566,229
19.	Non-health claims (net) .....			
20.	Claims adjustment expenses, including \$.....3,383,314 cost containment expenses .....		4,647,708	4,244,271
21.	General administrative expenses .....		15,319,258	13,438,796
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23.	TOTAL Underwriting Deductions (Lines 18 through 22) .....	9,776,302	145,066,658	122,249,296
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	1,732,851	1,972,808
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		354,912	460,134
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....		1,233	3,156
27.	Net investment gains (losses) (Lines 25 plus 26) .....		356,145	463,290
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29.	Aggregate write-ins for other income or expenses .....		(1)	(2)
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	2,088,995	2,436,096
31.	Federal and foreign income taxes incurred .....	X X X .....	49,400	42,228
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	2,039,595	2,393,868
DETAILS OF WRITE-INS				
0601.	.....	X X X .....		
0602.	.....	X X X .....		
0603.	.....	X X X .....		
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....		
0701.	.....	X X X .....		
0702.	.....	X X X .....		
0703.	.....	X X X .....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....		
1401.	.....			
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901.	rounding .....		(1)	(2)
2902.	0 .....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....		(1)	(2)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year .....	21,712,122	19,635,840
34.	Net income or (loss) from Line 32 .....	2,039,595	2,393,868
35.	Change in valuation basis of aggregate policy and claim reserves .....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....		
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....	(733,626)	109,626
39.	Change in nonadmitted assets .....	144,602	(427,212)
40.	Change in unauthorized reinsurance .....		
41.	Change in treasury stock .....		
42.	Change in surplus notes .....		
43.	Cumulative effect of changes in accounting principles .....		
44.	Capital Changes:		
44.1	Paid in .....	901	
44.2	Transferred from surplus (Stock Dividend) .....		
44.3	Transferred to surplus .....		
45.	Surplus adjustments:		
45.1	Paid in .....		
45.2	Transferred to capital (Stock Dividend) .....		
45.3	Transferred from capital .....		
46.	Dividends to stockholders .....		
47.	Aggregate write-ins for gains or (losses) in surplus .....	2	
48.	Net change in capital and surplus (Lines 34 to 47) .....	1,451,474	2,076,282
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	23,163,596	21,712,122
DETAILS OF WRITE-INS			
4701.	rounding .....	2	
4702.	.....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page .....		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	2	

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance .....	148,142,996	124,260,725
2.	Net investment income .....	480,673	537,776
3.	Miscellaneous income .....	(211,975)	(53,851)
4.	Total (Lines 1 through 3) .....	148,411,694	124,744,650
5.	Benefit and loss related payments .....	122,374,705	102,074,024
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	20,067,734	17,826,759
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	44,999	74,104
10.	Total (Lines 5 through 9) .....	142,487,438	119,974,887
11.	Net cash from operations (Line 4 minus Line 10) .....	5,924,256	4,769,763
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	6,770,000	6,375,000
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	6,770,000	6,375,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	6,980,529	7,700,292
13.2	Stocks .....	1,500,000	
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	1,245	24
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	8,481,774	7,700,316
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(1,711,774)	(1,325,316)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....	901	
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	(815,499)	437,501
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(814,598)	437,501
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	3,397,884	3,881,948
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	24,157,667	20,275,719
19.2	End of year (Line 18 plus Line 19.1) .....	27,555,551	24,157,667

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income .....	146,799,509	146,110,836				688,673				
2.	Change in unearned premium reserves and reserve for rate credit .....										
3.	Fee-for-service (net of \$.....0 medical expenses) .....										X X X .....
4.	Risk revenue .....										X X X .....
5.	Aggregate write-ins for other health care related revenues .....										X X X .....
6.	Aggregate write-ins for other non-health care related revenues .....		X X X	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
7.	TOTAL Revenues (Lines 1 to 6) .....	146,799,509	146,110,836				688,673				
8.	Hospital/medical benefits .....	98,179,759	97,781,081				398,678				X X X .....
9.	Other professional services .....										X X X .....
10.	Outside referrals .....										X X X .....
11.	Emergency room and out-of-area .....	3,444,995	3,431,006				13,989				X X X .....
12.	Prescription drugs .....	25,387,426	25,175,601				211,825				X X X .....
13.	Aggregate write-ins for other hospital and medical .....										X X X .....
14.	Incentive pool, withhold adjustments and bonus amounts .....										X X X .....
15.	Subtotal (Lines 8 to 14) .....	127,012,180	126,387,688				624,492				X X X .....
16.	Net reinsurance recoveries .....	1,912,488	1,908,667				3,821				X X X .....
17.	TOTAL Hospital and Medical (Lines 15 minus 16) .....	125,099,692	124,479,021				620,671				X X X .....
18.	Non-health claims (net) .....		X X X	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
19.	Claims adjustment expenses including \$.....3,383,314 cost containment expenses .....	4,647,708	4,636,081				11,627				
20.	General administrative expenses .....	15,319,258	15,279,391				39,867				
21.	Increase in reserves for accident and health contracts .....										X X X .....
22.	Increase in reserves for life contracts .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
23.	TOTAL Underwriting Deductions (Lines 17 to 22) .....	145,066,658	144,394,493				672,165				
24.	Net underwriting gain or (loss) (Line 7 minus Line 23) .....	1,732,851	1,716,343				16,508				
DETAILS OF WRITE-INS											
0501.	.....										X X X .....
0502.	.....										X X X .....
0503.	.....										X X X .....
0598.	Summary of remaining write-ins for Line 5 from overflow page .....										X X X .....
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										X X X .....
0601.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0602.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0603.	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0698.	Summary of remaining write-ins for Line 6 from overflow page .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
1301.	.....										X X X .....
1302.	.....										X X X .....
1303.	.....										X X X .....
1398.	Summary of remaining write-ins for Line 13 from overflow page .....										X X X .....
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....										X X X .....



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	149,279,248		3,168,412	146,110,836
2.	Medicare Supplement .....				
3.	Dental only .....				
4.	Vision only .....				
5.	Federal Employees Health Benefits Plan .....	700,435		11,762	688,673
6.	Title XVIII - Medicare .....				
7.	Title XIX - Medicaid .....				
8.	Other health .....				
9.	Health subtotal (Lines 1 through 8) .....	149,979,683		3,180,174	146,799,509
10.	Life .....				
11.	Property/casualty .....				
12.	TOTALS (Lines 9 to 11) .....	149,979,683		3,180,174	146,799,509

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	124,059,890	123,474,422				585,468				
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....	1,473,211	1,473,211								
1.4 Net .....	122,586,679	122,001,211				585,468				
2. Paid medical incentive pools and bonuses .....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	14,825,908	14,784,075				41,833				
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	14,825,908	14,784,075				41,833				
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....										
6. Net healthcare receivables (a) .....	211,974	209,165				2,809				
7. Amounts recoverable from reinsurers December 31, current year ..	733,888	730,067				3,821				
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	11,661,644	11,661,644								
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	11,661,644	11,661,644								
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....										
11. Amounts recoverable from reinsurers December 31, prior year .....	294,611	294,611								
12. Incurred benefits:										
12.1 Direct .....	127,012,180	126,387,688				624,492				
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....	1,912,488	1,908,667				3,821				
12.4 Net .....	125,099,692	124,479,021				620,671				
13. Incurred medical incentive pools and bonuses .....										

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	2,469,457	2,462,489				6,968				
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	2,469,457	2,462,489				6,968				
2. Incurred but Unreported:										
2.1 Direct .....	12,356,451	12,321,586				34,865				
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	12,356,451	12,321,586				34,865				
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	14,825,908	14,784,075				41,833				
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	14,825,908	14,784,075				41,833				

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical) .....	9,982,314	114,116,373	(39,599)	14,823,674	9,942,715	11,661,644
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....		585,468		41,833		
6.	Title XVIII - Medicare .....						
7.	Title XIX - Medicaid .....						
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	9,982,314	114,701,841	(39,599)	14,865,507	9,942,715	11,661,644
10.	Healthcare receivables (a) .....	1,073,164	1,024,312		1,504,939	1,073,164	853,688
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....						
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	8,909,150	113,677,529	(39,599)	13,360,568	8,869,551	10,807,956

(a) Excludes \$.0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior .....	5,616	5,696	5,696	5,696	5,696
2.	2006 .....	48,608	52,845	52,860	52,837	52,837
3.	2007 .....	X X X	43,395	47,669	47,715	47,715
4.	2008 .....	X X X	X X X	76,989	83,476	83,517
5.	2009 .....	X X X	X X X	X X X	95,617	104,485
6.	2010 .....	X X X	X X X	X X X	X X X	113,677

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior .....	413	494	497	497	5,696
2.	2006 .....	55,420	52,847	52,862	52,837	52,837
3.	2007 .....	X X X	50,197	47,669	47,715	47,715
4.	2008 .....	X X X	X X X	86,444	83,489	83,517
5.	2009 .....	X X X	X X X	X X X	107,265	104,445
6.	2010 .....	X X X	X X X	X X X	X X X	128,543

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2006 .....	61,788	52,837	2,653	5.021	55,490	89.807			55,490	89.807
2.	2007 .....	59,764	47,715	3,596	7.536	51,311	85.856			51,311	85.856
3.	2008 .....	101,862	83,517	3,957	4.738	87,474	85.875			87,474	85.875
4.	2009 .....	126,741	104,485	4,306	4.121	108,791	85.837	(40)		108,751	85.805
5.	2010 .....	149,979	113,677	4,020	3.536	117,697	78.476	14,866	102	132,665	88.456

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior .....	5,616	5,696	5,696	5,696	5,696
2.	2006 .....	48,608	52,845	52,860	52,837	52,837
3.	2007 .....	X X X	43,395	47,669	47,715	47,715
4.	2008 .....	X X X	X X X	76,989	83,476	83,517
5.	2009 .....	X X X	X X X	X X X	95,617	104,485
6.	2010 .....	X X X	X X X	X X X	X X X	113,092

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior .....	413	494	497	497	5,696
2.	2006 .....	55,420	52,847	52,862	52,837	52,837
3.	2007 .....	X X X	50,197	47,669	47,715	47,715
4.	2008 .....	X X X	X X X	86,444	83,489	83,517
5.	2009 .....	X X X	X X X	X X X	107,265	104,445
6.	2010 .....	X X X	X X X	X X X	X X X	127,916

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2006 .....	61,788	52,837	2,653	5.021	55,490	89.807			55,490	89.807
2.	2007 .....	59,764	47,715	3,596	7.536	51,311	85.856			51,311	85.856
3.	2008 .....	101,862	83,517	3,957	4.738	87,474	85.875			87,474	85.875
4.	2009 .....	126,741	104,485	4,306	4.121	108,791	85.837	(40)		108,751	85.805
5.	2010 .....	149,279	113,092	4,003	3.540	117,095	78.440	14,824	102	132,021	88.439

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12     Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)  
Federal Employees Health Benefits Plan Premiums  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior .....					
2.	2006 .....					
3.	2007 .....	X X X .....				
4.	2008 .....	X X X .....	X X X .....			
5.	2009 .....	X X X .....	X X X .....	X X X .....		
6.	2010 .....	X X X .....	X X X .....	X X X .....	X X X .....	585

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior .....					
2.	2006 .....					
3.	2007 .....	X X X .....				
4.	2008 .....	X X X .....	X X X .....			
5.	2009 .....	X X X .....	X X X .....	X X X .....		
6.	2010 .....	X X X .....	X X X .....	X X X .....	X X X .....	627

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2006 .....										
2.	2007 .....										
3.	2008 .....										
4.	2009 .....										
5.	2010 .....	700	585	17	2.906	602	86.000	42		644	92.000



12      Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare . . . . . NONE

12      Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare . . . . . NONE

12      Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare . . . . . NONE

12      Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid . . . . . NONE

12      Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid . . . . . NONE

12      Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid . . . . . NONE

12      Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . . NONE

12      Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other . . . . . NONE

12      Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other . . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

		1	2	3	4	5	6	7	8	9
		Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1.	Unearned premium reserves .....	102,864	102,864							
2.	Additional policy reserves (a) .....									
3.	Reserve for future contingent benefits .....									
4.	Reserve for rate credits or experience rating refunds (including \$.....0) for investment income .....									
5.	Aggregate write-ins for other policy reserves .....									
6.	TOTALS (Gross) .....	102,864	102,864							
7.	Reinsurance ceded .....									
8.	TOTALS (Net) (Page 3, Line 4) .....	102,864	102,864							
9.	Present value of amounts not yet due on claims .....									
10.	Reserve for future contingent benefits .....									
11.	Aggregate write-ins for other claim reserves .....									
12.	TOTALS (Gross) .....									
13.	Reinsurance ceded .....									
14.	TOTALS (Net) (Page 3, Line 7) .....									
DETAILS OF WRITE-INS										
0501.	.....									
0502.	.....									
0503.	.....									
0598.	Summary of remaining write-ins for Line 5 from overflow page ....									
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) ....									
1101.	.....									
1102.	.....									
1103.	.....									
1198.	Summary of remaining write-ins for Line 11 from overflow page ..									
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building) .....	222,618	61,367	294,887		578,872
2.	Salaries, wages and other benefits .....	3,221,217	887,958	7,644,836		11,754,011
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed) .....			6,236,717		6,236,717
4.	Legal fees and expenses .....			198,665		198,665
5.	Certifications and accreditation fees .....					
6.	Auditing, actuarial and other consulting services .....	640,898	27,455	271,788		940,141
7.	Traveling expenses .....	25,149	4,209	59,613		88,971
8.	Marketing and advertising .....	6,396	3,492	702,843		712,731
9.	Postage, express and telephone .....	46,846	288,210	367,376		702,432
10.	Printing and office supplies .....	24,755	1,780	498,860		525,395
11.	Occupancy, depreciation and amortization .....			482,009		482,009
12.	Equipment .....					
13.	Cost or depreciation of EDP equipment and software .....					
14.	Outsourced services including EDP, claims, and other services .....	515	377,408	3,124,798		3,502,721
15.	Boards, bureaus and association fees .....					
16.	Insurance, except on real estate .....			140,773		140,773
17.	Collection and bank service charges .....					
18.	Group service and administration fees .....					
19.	Reimbursements by uninsured plans .....	(1,296,564)	(484,545)	(5,870,693)		(7,651,802)
20.	Reimbursements from fiscal intermediaries .....					
21.	Real estate expenses .....					
22.	Real estate taxes .....					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes .....					
23.2	State premium taxes .....			733,750		733,750
23.3	Regulator authority licenses and fees .....					
23.4	Payroll taxes .....	202,334	58,422	179,867		440,623
23.5	Other (excluding federal income and real estate taxes) .....			15,532		15,532
24.	Investment expenses not included elsewhere .....					
25.	Aggregate write-ins for expenses .....	289,150	38,637	237,637		565,424
26.	TOTAL Expenses Incurred (Lines 1 to 25) .....	3,383,314	1,264,393	15,319,258		(a) 19,966,965
27.	Less expenses unpaid December 31, current year .....		101,967	1,284,822		1,386,789
28.	Add expenses unpaid December 31, prior year .....		67,749	1,470,739		1,538,488
29.	Amounts receivable relating to uninsured plans, prior year .....					
30.	Amounts receivable relating to uninsured plans, current year .....					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	3,383,314	1,230,175	15,505,175		20,118,664
DETAILS OF WRITE-INS						
2501.	Miscellaneous .....	39,150	38,637			77,787
2502.	Network Rental Fee .....	250,000				250,000
2503.	Donations .....					
2598.	Summary of remaining write-ins for Line 25 from overflow page .....			237,637		237,637
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	289,150	38,637	237,637		565,424

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a)..... 408,682	..... 262,204
1.1	Bonds exempt from U.S. tax .....	(a).....	.....
1.2	Other bonds (unaffiliated) .....	(a).....	.....
1.3	Bonds of affiliates .....	(a).....	.....
2.1	Preferred stocks (unaffiliated) .....	(b).....	.....
2.11	Preferred stocks of affiliates .....	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e)..... 32,105	..... 92,708
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 440,787	..... 354,912
11.	Investment expenses .....	(g).....	
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	(g).....	
13.	Interest expense .....	(h).....	
14.	Depreciation on real estate and other invested assets .....	(i).....	
15.	Aggregate write-ins for deductions from investment income .....	.....	
16.	Total deductions (Lines 11 through 15) .....	.....	
17.	Net Investment income (Line 10 minus Line 16) .....	..... 354,912	
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....
(a) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(b) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued dividends on purchases.			
(c) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(d) Includes \$......0 for company's occupancy of its own buildings; and excludes \$......0 interest on encumbrances.			
(e) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(f) Includes \$......0 accrual of discount less \$......0 amortization of premium.			
(g) Includes \$......0 investment expenses and \$......0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$......0 interest on surplus notes and \$......0 interest on capital notes.			
(i) Includes \$......0 depreciation on real estate and \$......0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	..... 1,233	.....	..... 1,233	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	..... 1,233	.....	..... 1,233	.....	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) ..	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....			
2.	Stocks (Schedule D):			
2.1	Preferred stocks .....			
2.2	Common stocks .....			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens .....			
3.2	Other than first liens .....			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company .....			
4.2	Properties held for the production of income .....			
4.3	Properties held for sale .....			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6.	Contract loans .....			
7.	Derivatives .....			
8.	Other invested assets (Schedule BA) .....			
9.	Receivables for securities .....			
10.	Securities lending reinvested collateral assets .....			
11.	Aggregate write-ins for invested assets .....			
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....			
13.	Title plants (for Title insurers only) .....			
14.	Invested income due and accrued .....			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection .....	22,685	379,261	356,576
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3	Accrued retrospective premiums .....			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers .....			
16.2	Funds held by or deposited with reinsured companies .....			
16.3	Other amounts receivable under reinsurance contracts .....			
17.	Amounts receivable relating to uninsured plans .....			
18.1	Current federal and foreign income tax recoverable and interest thereon .....			
18.2	Net deferred tax asset .....			
19.	Guaranty funds receivable or on deposit .....			
20.	Electronic data processing equipment and software .....			
21.	Furniture and equipment, including health care delivery assets .....			
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....			
23.	Receivables from parent, subsidiaries and affiliates .....			
24.	Health care and other amounts receivable .....	771,051	559,077	(211,974)
25.	Aggregate write-ins for other than invested assets .....			
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	793,736	938,338	144,602
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28.	Total (Lines 26 and 27) .....	793,736	938,338	144,602
DETAILS OF WRITE-INS				
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page .....			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501.	Prepaid Admin Contract .....			
2502.	.....			
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page .....			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	49	53	53	56	53	647
2.	Provider Service Organizations .....						
3.	Preferred Provider Organizations .....						
4.	Point of Service .....	43,968	46,004	46,936	47,938	49,572	566,475
5.	Indemnity Only .....						
6.	Aggregate write-ins for other lines of business .....						
7.	TOTAL .....	44,017	46,057	46,989	47,994	49,625	567,122
DETAILS OF WRITE-INS							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

# Notes to Financial Statements

## QCA HEALTH PLAN, INC.

### Notes to Financial Statements - Statutory Basis December 31, 2010 and 2009

#### (1) Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

**Cash and Cash Equivalents and Short Term Investments:** The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of Deposit with a maturity of more than four months but less than one year are considered short term investments and are stated at cost.

**Premiums Receivable:** The Company uses the allowance method of accounting for uncollectible receivables. Premiums receivable represents medical premium revenue that has been billed and recognized as revenue, but has not been collected.

**Investment Securities:** Bonds and other debt instruments are classified as held to maturity and are stated at cost adjusted for amortization of premiums and accretion of discounts computed by the interest method.

**Medical Claims Payable:** Reported claims expected to be paid after the balance sheet date for services provided to members prior to the balance sheet date are recorded as liabilities. Claims for services provided to members during the financial reporting period which are unreported at the balance sheet date are estimated based on the Company's claims experience and recorded as liabilities. The amounts recorded are based upon estimates of the ultimate net cost of such services provided. These reserves are subject to continuous review by management and changes in estimates are reflected in earnings currently.

**Income Taxes:** Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due.

**Revenue:** Medical premium revenue is recognized in the month in which members are entitled to receive health care services. Medical premiums collected in advance are recorded as premium received in advance.

**Cost of Benefits Provided:** Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible.

**Premium Tax:** The state in which the Company does business requires the remittance of premium taxes based upon a percentage of billed premiums.

**Advertising Costs:** Advertising and promotions related expenses are charged to operations when incurred.

**Non-Admitted Assets:** Certain assets (principally pharmaceutical rebate receivables and deferred tax assets not expected to be realized within a 12 month period) designated as "non-admitted" are not included in the financial statements.

**Accounting Estimates:** The preparation of financial statements in conformity with the accounting practices described above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### (2) Accounting Changes and Corrections of Errors

None.

Notes to Financial Statements

(3) Business Combinations and Goodwill

None.

(4) Discontinued Operations

None.

(5) Investments

The carrying value and estimated market value of investments in securities as of December 31, 2010 and 2009 are as follows:

		2010				11,877,477
			Gross	Gross	Estimated	
		Carrying	Unrealized	Unrealized	Market	
		Value	Gains	Losses	Value	
U.S. Government securities		\$	11,721,643	155,834	-	
Corporate bond		2,111,280	23,470	-	2,134,750	12,708,698
	\$	13,832,923	179,304	-	14,012,227	
		2009				12,708,698
			Gross	Gross	Estimated	
		Carrying	Unrealized	Unrealized	Market	
		Value	Gains	Losses	Value	
U.S. Government securities		\$	12,662,443	46,255	-	
Corporate bond		998,603	32,834	-	1,031,437	12,708,698
	\$	13,661,046	79,089	-	13,740,135	

The carrying value and estimated market value of securities as of December 31, 2010, by contractual maturity, are shown below:

			Carrying	Market
			Value	Value
Matures in one year or less		\$	3,955,787	3,997,891
Matures in one to seven years			9,877,136	10,014,336
		\$	13,832,923	14,012,227

Included in the amounts above, the Company holds a U.S. Government debt security that is restricted due to regulatory requirements, which matures in one to three years and is held to maturity. At December 31, 2010 and 2009, the aggregate fair value was \$636,928 and \$625,197, respectively.

At December 31, 2010 and 2009, there were no securities that have been in a continuous loss position.

(6) Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

(7) Investment Income

The Company's investment income was earned on cash and cash equivalents, and bonds and no investment income was excluded from surplus for the years ending December 31, 2010 and 2009.

(8) Derivative Instruments



Notes to Financial Statements

None.

(9) Income Taxes

The Company's net deferred tax asset account was comprised of the following as of December 31:

	2010	2009
Deferred tax assets	\$ -	733,626
Valuation allowance	-	-
	<u>\$ -</u>	<u>733,626</u>

The provision for income taxes in the financial statements differs from the amount determined by applying the statutory Federal income rate to earnings before income taxes. The reconciling items and amounts as of December 31, 2010 and 2009 are as follows:

	2010	2009
Expected income tax expense	\$ 882,646	852,965
Benefit from net operating loss carryforwards	<u>(833,245)</u>	<u>(810,735)</u>
	<u>\$ 49,401</u>	<u>42,230</u>

(10) Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

The Company is party to a service agreement with an affiliate whereby the affiliate provides a full range of administrative, managerial and technological services. The Company paid this affiliate \$17,481,009 and \$16,510,718 during 2010 and 2009, respectively, for these services.

Under the provisions of various provider contracts, the Company paid \$31,351,026 and \$31,348,656 to hospitals that owned a portion of the Company's common or preferred stock during 2010 and 2009, respectively.

Administrative fee revenue in the amount of \$7,020,097 and \$6,849,603 was received from hospitals that either owned a portion of the Company's common or preferred stock during 2010 and 2009, respectively, that relate to risk-based and administrative services only (ASO) lines of business.

The Company was due \$266,630 and \$186,136 from a affiliate as of December 31, 2010 and 2009, respectively. The balance relates to an agreement between the Company and QualChoice of Arkansas, Inc. ("QualChoice"), for professional services from a network of physicians, in which qualifying fee-for-service medical charges are withheld by QualChoice and remitted to the Company.

The Company owed \$3,747 and \$971,826 to stockholders as of December 31, 2010 and 2009, respectively, for general expenses paid on behalf of the Company.

The Company entered into an agreement with QualChoice in November 2001, whereby the Company assumed the groups QualChoice managed under a third party administrator agreement on January 1, 2002, on behalf of employers which sponsor health benefit plans for employees. The Company assumed the obligations to perform such duties under the existing contracts with QualChoice, and in exchange for receiving these groups. The Company has paid QualChoice annual network rental fees of \$250,00 for the years ended December 31, 2010 and 2009.

QualChoice Holdings was issued a Certificate of Incorporation as a for profit corporation August 17, 2010. It was established for the purpose of owning the stock of QCA Health Plan, Inc. and QualChoice Life and Health Insurance Company, Inc. On November 29, 2010, 100% of the stock of both companies was transferred to QualChoice Holdings. QualChoice Holdings now owns all of the stock of QCA Health Plan, Inc.

(11) Debt

Notes to Financial Statements

There were no surplus notes, debentures, or loans in 2010 or 2009.

(12) Retirement Plans, Deferred Compensation, Postemployment Benefit and Compensated Absences and Other Postretirement Benefits Plans

The Company has an employee 401(k) plan covering all full-time employees of the Company who have completed three months of employment and choose to participate. The Company contributes an amount equal to the portion of the employee's contribution which does not exceed 3% of the employee's salary. Contributions to the plan during 2010 and 2009 totaled \$226,420 and \$211,460, respectively.

(13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi- Reorganizations

The Company has 50,000 shares of \$.10 per share par value common stock authorized and 20,935 shares outstanding, exclusive of 3,600 shares held as treasury stock. On December 31, 2009 the company had 11,925 shares outstanding, exclusive of 3,600 shares held as treasury stock. The Company has 25,500.046 shares of \$1,000 par value preferred stock outstanding. The Company does not intend to pay dividends on its common or preferred stock in the foreseeable future.

The Company's preferred stock structure is as follows as of December 31:

	2010	2009
Series A, \$1,000 par value; 5% noncumulative, nonvoting; convertible into 4,732 shares of nonvoting common stock; 2,868 shares authorized and issued.	\$ 2,868,000	2,868,000
Series B, \$1,000 par value; 5% noncumulative, nonvoting; convertible into 16,833 shares of nonvoting common stock; 9,342.808 shares authorized and issued.	9,342,808	9,342,808
Series C, \$1,000 par value; 2% noncumulative, nonvoting, nonconvertible; 5,000 shares authorized and issued.	5,000,000	5,000,000
Series D, \$1,000 par value; noncumulative, nonvoting, nonconvertible; 8,289.238 shares authorized and issued.	8,289,238	8,289,238
	\$ 25,500,046	25,500,046

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Company the holders of the preferred stock shall be entitled to share ratably in any assets of the Company available for distribution to the Company's stockholders. The amount will be equal to the greater of (a) \$1,000 per share of preferred stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization, plus all declared, approved, but unpaid dividends through such distribution payment date or (b) the amount per share such shareholder would receive if such shareholder converted such shares of preferred stock into common stock in accordance with the conversion factor set out on in the "Statement of Preferences and Terms of Preferred Stock" immediately prior to such liquidation, dissolution, or winding up of the affairs of the Company. Any payments or distributions to the preferred stockholders shall be made before any such payments or distributions shall be made to common stockholders.

(14) Contingencies

The Company is a defendant in general litigation as of December 31, 2010, in the ordinary course of business. The Company's management believes, however, that any liability it may incur as a result of this litigation would not have a material or adverse effect to the financial statements and, accordingly, no contingencies have been recorded.

# Notes to Financial Statements

The Company is subject to various regulatory requirements, including maintenance of minimum capital and surplus. At December 31, 2010, the Company is in compliance with requirements established by the Arkansas Insurance Department. The Company is required to maintain restricted investments in the minimum maturity amount of \$625,000.

**(15) Leases**

None.

**(16) Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

None.

**(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

None.

**(18) Gain or Loss To The Reporting Entity From Uninsured A&H Plans and The Uninsured Portion of Partially Insured Plans**

During 2010 and 2009, the Company had Administrative Services Only (ASO) contracts and minimum premium contracts, for which the employer retained all health care service risk, while the Company assumed administrative risk. The Company recorded administrative fee revenues of approximately \$7,651,802 and \$7,388,789 for 2010 and 2009, respectively. The amounts are not recorded as revenue in this statutory statement, but rather as a reduction in operating expenses. The profit (loss) associated with this line of business was \$165,753 and \$171,421 for 2010 and 2009, respectively. The claims volume was approximately \$96,489,306 and \$96,584,964 for 2010 and 2009, respectively. The Company has no Medicare or similarly structured cost based reimbursement contracts.

**(19) Direct Premium Written/Produced By Managing General Agents/Third Party Administrators**

None.

**(20) Fair Value Measurements**

None. All investments are recorded at amortized cost.

**(21) Other Items**

None.

**(22) Events Subsequent**

Subsequent events have been considered through February 28, 2011, the date which the financial statements were available to be issued.

**(23) Reinsurance**

The Company is covered under a medical reinsurance agreement effective October 1, 2010 through September 30, 2011, that provides annual coverage for eligible in area and out of area hospital services of 90% in excess of \$225,000 per member. The policy covers all medical and pharmaceutical services including inpatient and outpatient hospital, sub-acute facility services, skilled nursing facility and rehabilitation facility services, hospice services, home health agency services, outpatient facility services, prescription drugs, and physician and other professional services. Certain of the covered services have per unit or annual coverage limits. For example, coverage for prescription drugs is limited to \$250,000 per contract year. Each insured member's coverage is limited to \$5,000,000 in the contract year.

The reinsurance agreement also includes catastrophic reinsurance coverage. The catastrophic provision provides coverage for the same categories of eligible medical services of 90% in excess of \$500,000 per member with a maximum of \$5,000,000 per member in the contract year. The Company receives reimbursement under the agreement at the most favorable coverage level.

Notes to Financial Statements

The reinsurance agreement contains a provision through which the Company may receive an Experience Refund equal to 40% of a realized gain in a contract year. A realized gain is defined as the amount by which the actual claims against policy filed by the Company are less than 68% of total policy premiums for the contract year. The policy must be renewed in a subsequent contract year for the Company to receive a prior year's Experience Refund. At December 31, 2010 the Company recorded a receivable of \$232,493 for Experience Refund related to the contract year that began October 31, 2010 and \$501,395 for the contract year ended September 30, 2010. At December 31, 2009 the Company recorded a receivable of \$294,611 related to the Experience Refund.

The reinsurance agreement also contains a Continuation of Coverage endorsement in the event of insolvency on the part of the Company. The limitation on liability to HCC under this endorsement is \$5,000,000.

The Company has no return commission, which would have been due if the Company had cancelled the reinsurance. The Company has no retroactive reinsurance agreements. The reinsurance does not have retroactive termination arrangement clause.

(24) Retrospectively Rated Contracts & Contracts Subject To Redetermination

None.

(25) Change In Incurred Claims and Claim Adjustment Expenses

None.

(26) Intercompany Pooling Arrangements

None.

(27) Structured Settlements

None.

(28) Health Care Receivables

The Company experienced the following activity associated with the pharmaceutical rebate receivables by quarter for the previous three years from December 31, 2010:

	Estimated		Actual	Actual	Actual Rebates
	Pharmacy	Pharmacy	Rebates	Rebates	Received More
	Rebates as	Rebates as	Received	Received	Than 180 Days
	Reported on	Billed or	Within 90	Within 91 to	After
	Financial	Otherwise	Days of	180 Days of	Billing
Quarter	Statements	Confirmed	Confirmed	Billing	
12/31/2010	771,051	0			
9/30/2010	523,733	151,797	151,797		
6/30/2010	455,540	244,148	92,351	151,797	
3/31/2010	497,294	350,067	105,919	92,351	151,797
12/31/2009	559,077	601,106	267,382	105,919	227,805
9/30/2009	356,137	597,995	109,804	267,382	220,809
6/30/2009	372,276	532,192	102,070	109,804	320,318
3/31/2009	489,705	541,972	159,853	102,070	280,049
12/31/2008	505,226	551,945	155,943	159,853	236,149
9/30/2008	396,280	505,779	105,569	155,493	244,717
6/30/2008	179,162	359,142	10,368	105,569	243,205
3/31/2008	245,543	383,152	163,703	10,368	209,081

Notes to Financial Statements

(29) Participating Policies

None.

(30) Premium Deficiency Reserves

None.

(31) Anticipated Salvage and Subrogation


None.

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[ ] No[X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[ ] No[ ] N/A[X]
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[X] No[ ]
- 2.2 If yes, date of change:

11/29/2010
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

09/29/2009
- 3.4 By what department or departments?

Arkansas Insurance Department
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[ ] N/A[ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?

Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Rasco, Winter, Abston, Moore & Assoc. 400 West Capitol, Suite 1624 Little Rock, Arkansas 72201
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.6 If response to 10.5 is "yes," provide information related to this exemption:
- 10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[ ] N/A[ ]
- 10.8 If the answer to 10.7 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

GENERAL INTERROGATORIES (Continued)

Graham Sutherlin	employee of QCA Health Plan, Inc.	12615 Chenal Parkway , Suite 300	Little Rock,	Arkansas	72211	
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
12.11	Name of real estate holding company					0
12.12	Number of parcels involved					0
12.13	Total book/adjusted carrying value		\$			0
12.2	If yes, provide explanation					
13.	FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:					
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?					
13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
13.3	Have there been any changes made to any of the trust indentures during the year?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;					
	b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;					
	c. Compliance with applicable governmental laws, rules and regulations;					
	d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and					
	e. Accountability for adherence to the code.					
14.11	If the response to 14.1 is no, please explain:					
14.2	Has the code of ethics for senior managers been amended?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
14.21	If the response to 14.2 is yes, provide information related to amendment(s).					
14.3	Have any provisions of the code of ethics been waived for any of the specified officers?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).					

BOARD OF DIRECTORS

15.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
16.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
17.	Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

FINANCIAL

18.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
19.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):						
	19.11 To directors or other officers		\$			0	
	19.12 To stockholders not officers		\$			0	
	19.13 Trustees, supreme or grand (Fraternal only)		\$			0	
19.2	Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):						
	19.21 To directors or other officers		\$			0	
	19.22 To stockholders not officers		\$			0	
	19.23 Trustees, supreme or grand (Fraternal only)		\$			0	
20.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?			Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
20.2	If yes, state the amount thereof at December 31 of the current year:						
	20.21 Rented from others		\$			0	
	20.22 Borrowed from others		\$			0	
	20.23 Leased from others		\$			0	
	20.24 Other		\$			0	
21.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?			Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
21.2	If answer is yes:						
	21.21 Amount paid as losses or risk adjustment		\$			0	
	21.22 Amount paid as expenses		\$			0	
	21.23 Other amounts paid		\$			0	
22.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
22.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:		\$			266,630	

INVESTMENT

23.1	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 23.3)		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
23.2	If no, give full and complete information, relating thereto:					
23.3	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 17 where this information is also provided)					
23.4	Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
23.5	If answer to 23.4 is yes, report amount of collateral for conforming programs.		\$			0
23.6	If answer to 23.4 is no, report amount of collateral for other programs.		\$			0
23.7	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
23.8	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
23.9	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
24.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3).		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
24.2	If yes, state the amount thereof at December 31 of the current year:					
	24.21 Subject to repurchase agreements		\$			0
	24.22 Subject to reverse repurchase agreements		\$			0
	24.23 Subject to dollar repurchase agreements		\$			0
	24.24 Subject to reverse dollar repurchase agreements		\$			0
	24.25 Pledged as collateral		\$			0
	24.26 Placed under option agreements		\$			0
	24.27 Letter stock or securities restricted as to sale		\$			0
	24.28 On deposit with state or other regulatory body		\$			0

GENERAL INTERROGATORIES (Continued)

24.29 Other

24.3 For category (24.27) provide the following:

\$.....0

1	2	3
Nature of Restriction	Description	Amount
.....	.....	.....

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

25.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes[ ] No[X]  
Yes[ ] No[ ] N/A[X]

26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

26.2 If yes, state the amount thereof at December 31 of the current year.

Yes[ ] No[X]  
\$.....0

27. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

27.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[ ]

1	2
Name of Custodian(s)	Custodian's Address
Arvest Asset Management .....	200 Commerce Dr. Ste. 100, Little Rock, AR .....
Stephens Bank Trust .....	111 Center Street, Little Rock, AR .....

27.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....	.....	.....

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year?

27.04 If yes, give full and complete information relating thereto:

Yes[ ] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....	.....	.....	.....

27.05 Identify all investment advisers, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
.....	Dennis Whitaker .....	200 Commerce Dr. Ste. 100 Little Rock, AR .....
.....	Alan Tedford .....	111 Center Street, Little Rock, AR .....

28.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

28.2 If yes, complete the following schedule:

Yes[ ] No[X]

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
28.2999 Total .....	.....	.....

28.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
.....	.....	.....	.....

29. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.



GENERAL INTERROGATORIES (Continued)

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1	Bonds .....	13,832,923	14,012,222	179,299
29.2	Preferred stocks .....	1,500,000	1,500,000	
29.3	Totals .....	15,332,923	15,512,222	179,299

- 29.4 Describe the sources or methods utilized in determining the fair values  
Provided by bank statements/Trust Company reporting
- 30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?  
30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?  
30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 31.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?  
31.2 If no, list exceptions:
- Yes[X] No[ ]  
Yes[ ] No[X] N/A[ ]  
Yes[X] No[ ]

OTHER

- 32.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?  
32.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.
- \$ ..... 33,300

1 Name	2 Amount Paid
AM Best .....	33,300

- 33.1 Amount of payments for legal expenses, if any?  
33.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.
- \$ ..... 66,474

1 Name	2 Amount Paid
Wright, Lindsey & Jennings .....	60,330

- 34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?  
34.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.
- \$ ..... 0

1 Name	2 Amount Paid
.....	

## GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

- |   | Yes[ ]   | No[X] |
|---|----------|-------|
| 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?                               |          | 0     |
| 1.2 If yes, indicate premium earned on U.S. business only:  | \$ ..... | 0     |
| 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?             | \$ ..... | 0     |
| 1.31 Reason for excluding:  |          |       |
| 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. | \$ ..... | 0     |
| 1.5 Indicate total incurred claims on all Medicare Supplement insurance.  | \$ ..... | 0     |
| 1.6 Individual policies - Most current three years:   |          |       |
| 1.61 Total premium earned   | \$ ..... | 0     |
| 1.62 Total incurred claims  | \$ ..... | 0     |
| 1.63 Number of covered lives  | .....    | 0     |
| All years prior to most current three years:  |          |       |
| 1.64 Total premium earned   | \$ ..... | 0     |
| 1.65 Total incurred claims  | \$ ..... | 0     |
| 1.66 Number of covered lives  | .....    | 0     |
| 1.7 Group policies - Most current three years:  |          |       |
| 1.71 Total premium earned   | \$ ..... | 0     |
| 1.72 Total incurred claims  | \$ ..... | 0     |
| 1.73 Number of covered lives  | .....    | 0     |
| All years prior to most current three years:  |          |       |
| 1.74 Total premium earned   | \$ ..... | 0     |
| 1.75 Total incurred claims  | \$ ..... | 0     |
| 1.76 Number of covered lives  | .....    | 0     |

## 2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	146,799,509	124,222,104
2.2	Premium Denominator .....	146,799,509	124,222,104
2.3	Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4	Reserve Numerator .....	14,928,772	11,661,046
2.5	Reserve Denominator .....	14,928,772	11,661,644
2.6	Reserve Ratio (2.4 / 2.5) .....	1.000	1.000

- |       |   |                     |
|-------|---|---------------------|
| 3.1   | Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?   | Yes[ ] No[X]        |
| 3.2   | If yes, give particulars:   |                     |
| 4.1   | Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?   | Yes[X] No[ ]        |
| 4.2   | If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?   | Yes[ ] No[X] N/A[ ] |
| 5.1   | Does the reporting entity have stop-loss reinsurance?   | Yes[X] No[ ]        |
| 5.2   | If no, explain:   |                     |
| 5.3   | Maximum retained risk (see instructions):   |                     |
| 5.31  | Comprehensive Medical   | \$ ..... 702,500    |
| 5.32  | Medical Only  | \$ ..... 0          |
| 5.33  | Medicare Supplement   | \$ ..... 0          |
| 5.34  | Dental & Vision   | \$ ..... 0          |
| 5.35  | Other Limited Benefit Plan  | \$ ..... 0          |
| 5.36  | Other   | \$ ..... 0          |
| 6.    | Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:<br>Provider contracts have hold harmless agreements and continuity of care provisions. Through the reinsurance company \$5,000,000 is reinsured for continuation of benefits in event of insolvency. |                     |
| 7.1   | Does the reporting entity set up its claim liability for provider services on a service date base?  | Yes[X] No[ ]        |
| 7.2   | If no, give details:  |                     |
| 8.    | Provide the following information regarding participating providers:  |                     |
| 8.1   | Number of providers at start of reporting year  | ..... 10,530        |
| 8.2   | Number of providers at end of reporting year  | ..... 11,170        |
| 9.1   | Does the reporting entity have business subject to premium rate guarantees?   | Yes[ ] No[X]        |
| 9.2   | If yes, direct premium earned:  |                     |
| 9.21  | Business with rate guarantees between 15-36 months  | ..... 0             |
| 9.22  | Business with rate guarantees over 36 months  | ..... 0             |
| 10.1  | Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?  | Yes[X] No[ ]        |
| 10.2  | If yes:   |                     |
| 10.21 | Maximum amount payable bonuses  | \$ ..... 0          |
| 10.22 | Amount actually paid for year bonuses   | \$ ..... 0          |
| 10.23 | Maximum amount payable withholds  | \$ ..... 7,673      |
| 10.24 | Amount actually paid for year withholds   | \$ ..... 7,673      |
| 11.1  | Is the reporting entity organized as:   |                     |
| 11.12 | A Medical Group/Staff Model,  | Yes[ ] No[X]        |
| 11.13 | An Individual Practice Association (IPA), or,   | Yes[ ] No[X]        |
| 11.14 | A Mixed Model (combination of above)?   | Yes[ ] No[X]        |
| 11.2  | Is the reporting entity subject to Minimum Net Worth Requirements?  | Yes[X] No[ ]        |
| 11.3  | If yes, show the name of the state requiring such net worth.<br>Arkansas  |                     |
| 11.4  | If yes, show the amount required.   | \$ ..... 5,533,355  |
| 11.5  | Is this amount included as part of a contingency reserve in stockholder's equity?   | Yes[X] No[ ]        |
| 11.6  | If the amount is calculated, show the calculation.<br>Net Worth requirement of \$100,000 plus certain RBC requirements of the State. The RBC calculations are included with this filing   |                     |
| 12.   | List service areas in which the reporting entity is licensed to operate:  |                     |

1
Name of Service Area
entire state of Arkansas, 75 counties .....

- |   |   |   |
|---|---|---|
| 13.1 Do you act as a custodian for health savings accounts?                                 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |   |
| 13.2 If yes, please provide the amount of custodial funds held as of the reporting date:    | \$  | 0 |
| 13.3 Do you act as an administrator for health savings accounts?                            | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |   |
| 13.4 If yes, please provide the balance of the funds administered as of the reporting date: | \$  | 0 |

FIVE-YEAR HISTORICAL DATA

	1 2010	2 2009	3 2008	4 2007	5 2006
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	44,770,829	39,938,741	34,553,683	30,509,739	24,851,692
2. TOTAL Liabilities (Page 3, Line 24) .....	21,607,233	18,226,619	14,917,843	13,040,405	9,910,665
3. Statutory surplus .....	5,533,355	4,733,565	3,878,796	2,459,407	2,685,230
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	23,163,596	21,712,122	19,635,840	17,469,334	14,941,027
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	146,799,509	124,222,104	99,735,382	58,273,196	60,478,211
6. TOTAL Medical and Hospital Expenses (Line 18) .....	125,099,692	104,566,229	83,570,648	47,552,706	52,769,346
7. Claims adjustment expenses (Line 20) .....	4,647,708	4,244,271	3,906,501	3,623,679	2,500,794
8. TOTAL Administrative Expenses (Line 21) .....	15,319,258	13,438,796	10,698,221	6,027,305	5,144,766
9. Net underwriting gain (loss) (Line 24) .....	1,732,851	1,972,808	1,560,012	1,069,506	63,305
10. Net investment gain (loss) (Line 27) .....	356,145	463,290	1,043,916	1,244,262	1,089,437
11. TOTAL Other Income (Lines 28 plus 29) .....	(1)	(2)	1	(3)	
12. Net income or (loss) (Line 32) .....	2,039,595	2,393,868	2,512,793	2,279,553	1,139,185
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	5,924,256	4,769,763	4,445,083	4,772,909	(1,512,033)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	23,163,596	21,712,122	19,635,840	17,469,334	14,941,027
15. Authorized control level risk-based capital .....	5,533,355	4,733,565	3,878,796	2,459,407	2,685,230
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	49,625	44,017	35,516	20,207	19,703
17. TOTAL Members Months (Column 6, Line 7) .....	567,122	482,872	392,688	230,223	243,317
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	85.2	84.2	83.8	81.6	87.3
20. Cost containment expenses .....	2.3	2.5	2.9	4.4	1.0
21. Other claims adjustment expenses .....	0.9	0.9	1.0	1.8	3.0
22. TOTAL Underwriting Deductions (Line 23) .....	98.8	98.4	98.4	98.2	99.9
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	1.2	1.6	1.6	1.8	0.1
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	8,869,551	6,524,255	4,290,211	4,318,319	5,643,890
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	10,807,956	8,369,602	6,078,071	6,236,869	7,690,929
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....	1,500,000				
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....	5,616	5,604	5,580	5,484	5,261
32. TOTAL of Above Lines 26 to 31 .....	1,505,616	5,604	5,580	5,484	5,261

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[ ] No[ ] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS  
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
		Active Status	2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1.	Alabama (AL) .....	N								
2.	Alaska (AK) .....	N								
3.	Arizona (AZ) .....	N								
4.	Arkansas (AR) .....	L	149,279,248			700,435			149,979,683	
5.	California (CA) .....	N								
6.	Colorado (CO) .....	N								
7.	Connecticut (CT) .....	N								
8.	Delaware (DE) .....	N								
9.	District of Columbia (DC) .....	N								
10.	Florida (FL) .....	N								
11.	Georgia (GA) .....	N								
12.	Hawaii (HI) .....	N								
13.	Idaho (ID) .....	N								
14.	Illinois (IL) .....	N								
15.	Indiana (IN) .....	N								
16.	Iowa (IA) .....	N								
17.	Kansas (KS) .....	N								
18.	Kentucky (KY) .....	N								
19.	Louisiana (LA) .....	N								
20.	Maine (ME) .....	N								
21.	Maryland (MD) .....	N								
22.	Massachusetts (MA) .....	N								
23.	Michigan (MI) .....	N								
24.	Minnesota (MN) .....	N								
25.	Mississippi (MS) .....	N								
26.	Missouri (MO) .....	N								
27.	Montana (MT) .....	N								
28.	Nebraska (NE) .....	N								
29.	Nevada (NV) .....	N								
30.	New Hampshire (NH) .....	N								
31.	New Jersey (NJ) .....	N								
32.	New Mexico (NM) .....	N								
33.	New York (NY) .....	N								
34.	North Carolina (NC) .....	N								
35.	North Dakota (ND) .....	N								
36.	Ohio (OH) .....	N								
37.	Oklahoma (OK) .....	N								
38.	Oregon (OR) .....	N								
39.	Pennsylvania (PA) .....	N								
40.	Rhode Island (RI) .....	N								
41.	South Carolina (SC) .....	N								
42.	South Dakota (SD) .....	N								
43.	Tennessee (TN) .....	N								
44.	Texas (TX) .....	N								
45.	Utah (UT) .....	N								
46.	Vermont (VT) .....	N								
47.	Virginia (VA) .....	N								
48.	Washington (WA) .....	N								
49.	West Virginia (WV) .....	N								
50.	Wisconsin (WI) .....	N								
51.	Wyoming (WY) .....	N								
52.	American Samoa (AS) .....	N								
53.	Guam (GU) .....	N								
54.	Puerto Rico (PR) .....	N								
55.	U.S. Virgin Islands (VI) .....	N								
56.	Northern Marianas Islands (MP) .....	N								
57.	Canada (CN) .....	N								
58.	Aggregate other alien (OT) .....	X X X								
59.	Subtotal .....	X X X	149,279,248			700,435			149,979,683	
60.	Reporting entity contributions for Employee Benefit Plans .....	X X X								
61.	TOTAL (Direct Business) .....	(a).... 1	149,279,248			700,435			149,979,683	

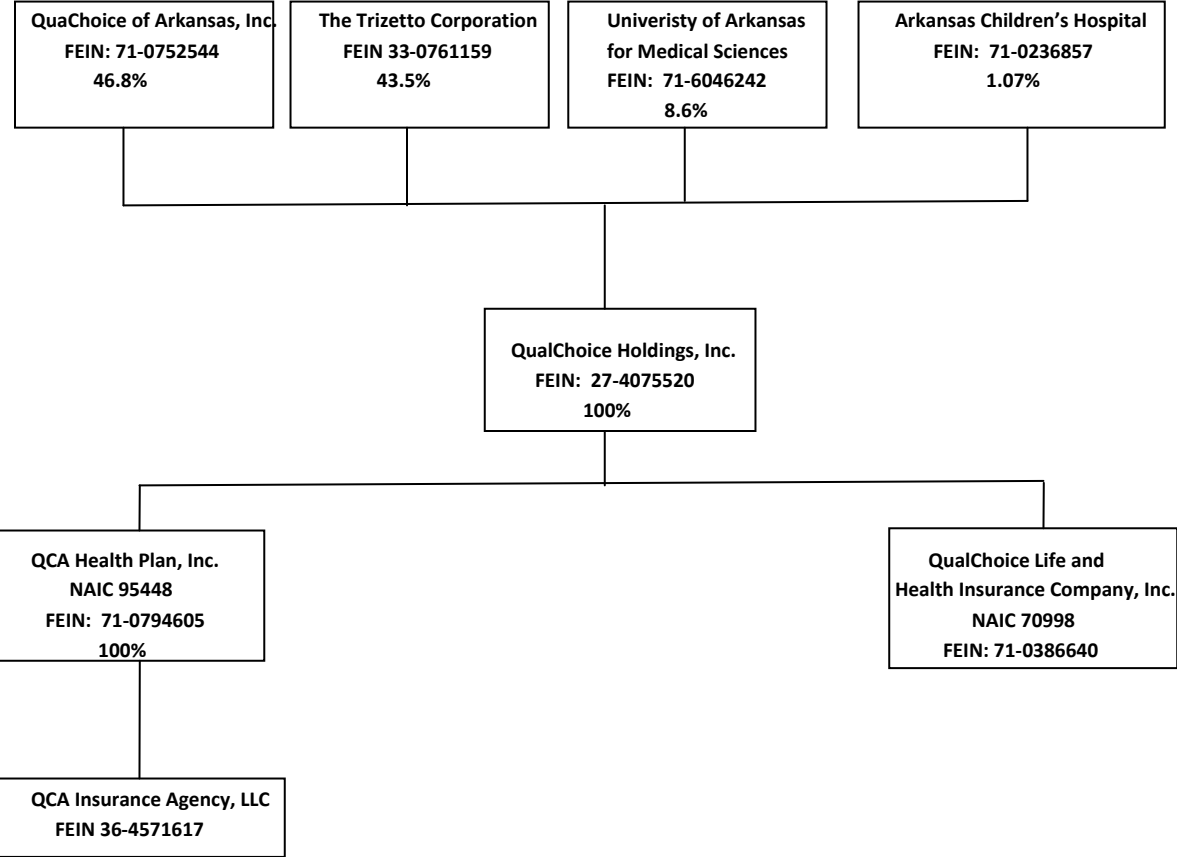
DETAILS OF WRITE-INS

5801. ....	X X X									
5802. ....	X X X									
5803. ....	X X X									
5898. Summary of remaining write-ins for Line 58 from overflow page .....	X X X									
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	X X X									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



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